



Allied Grape Growers

A Wine Grape Growers Association Serving California

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May 10, 2006

Docket Clerk

Fruit and Vegetable Programs AMS, USDA

1400 Independence Avenue, SW

Mail Stop 0243

Washington, DC 20250

Re: Docket Number FV06-1290-1PR

Federal Register Volume 71, No. 76, Pages 20353-20357

We strongly oppose a provision in the proposed specialty crop block grant rules that gives a preference to "fresh" specialty crops. Inserted in § 1290.4(a), the statement, "***Priority will be given to fresh specialty crop projects,***" is without justification. The underlying legislation, carefully considered and drafted by the House Committee on Agriculture in 2004, makes no such preference and did not even debate the issue. Allied Grape Growers is a California winegrape marketing association representing nearly 600 growers throughout California, producing over 255,000 tons in 2005. Allied Grape Growers has been serving its members since 1951 through the effective and equitable marketing of their grapes. We were a part of the specialty crop support coalition that had worked hard for a bill which was designed to help all specialty crops, including processed, wine and grape juice concentrate. It is our belief that neither the bill's sponsors nor the committee intended to provide a preference for fresh specialty crops.

The underlying legislation that provides authorization for specialty crop block grants, P.L. 108-465 and House Report 108-750, makes no distinction between fresh specialty crops and those that have been processed in some manner.

This legislation clearly defines specialty crop: "The term 'specialty crop' means fruits and vegetables, tree nuts, dried fruits, and nursery crops (including floriculture)." Indeed there is no legislative history that shows Congress intended to give preference to fresh specialty crops.

The final legislation (P.L. 108-465) included only one reference to "fresh." That reference is in just one of a long list of research objectives that is important to fresh specialty crops:

"The specialty crops committee shall include in each report recommendations regarding the following:

(3) Programs that would—

(A) enhance the quality and shelf-life of fresh fruits and vegetables, including their taste and appearance;

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- (B) develop new crop protection tools and expand the applicability and cost-effectiveness of integrated pest management;
- (C) prevent the introduction of foreign invasive pests and diseases;
- (D) develop new products and new uses of specialty crops;
- (E) develop new and improved marketing tools for specialty crops;
- (F) enhance food safety regarding specialty crops;
- (G) improve mechanization of production practices; and
- (H) enhance irrigation techniques used in specialty crop production.”

The use of the word “fresh” in a specific listing of part of the objectives of the bill is hardly a justification for providing a priority for “fresh.” In fact, quite the opposite is true. By explicitly mentioning “fresh” in a context where the distinction is meaningful the reasonable implication is that “fresh” does not have any specific meaning in the remainder of the statute.

The previous version of specialty crop grants instituted as part of the 2001 Farm Disaster Assistance, (P.L 107-25) ultimately provide funding to promote the competitiveness of many wine and grape juice concentrate projects. Such funding is more important than ever as all 50 states have wineries and there is incredible growth in the number of wineries throughout the nation, from about 2,200 in 2000 to just under 4,000 at present. In addition, wine is subject to ever increasing competitive pressure with nearly 25 percent of the U.S market for wine being supplied by imports. Grape Juice concentrate from California and the Pacific Northwest and Northeast are also being challenged by imported Argentine grape juice and apple juice from China.

Under this proposal winegrapes would not receive priority benefits from block grants even though winegrapes are a major crop of thousands of American farmers. The same holds true for grapes that will be used for raisins or grape juice concentrate.

Giving priority to fresh specialty crops in administering the block grant programs is an idea that has not been thought through. It is prejudicial to one of our most successful specialty crop efforts. The wine and winegrape industry must not be considered to be in some form of secondary or “less important” status.

We respectfully urge the United States Department of Agriculture, Agricultural Marketing Service to modify the proposed rule for Specialty Crop Block Grant Program by deleting the sentence “Priority will be given to fresh specialty crop projects” in § 1290.4(a).

Thank you for your consideration.

Sincerely,



Nat DiBuduo
President

cc: Bobby Koch – Wine Institute

Karen Ross – CAWG

Bill Nelson – WineAmerica

Paul Kronenberg – Family Winemakers of Calif.